

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|------------------------------------|-------------------|
| THE NOTICE OF PURCHASED GAS) | |
| ADJUSTMENT FILING OF COLUMBIA) | CASE NO. 94-179-F |
| GAS OF KENTUCKY, INC.) | |

O R D E R

On November 1, 1994, in Case No. 94-179, the Commission approved certain adjusted rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On May 2, 1996, Columbia filed its GCA to be effective June 1, 1996 through August 31, 1996.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice proposed revised rates designed to pass on its expected wholesale increase in gas costs. Columbia's proposed expected gas cost ("EGC") for the quarter beginning June 1, 1996 is \$4.0571.

2. Columbia's notice set out a rate for Banking and Balancing Service of 3.13 cents per Mcf.

3. Columbia's notice set out a take-or-pay refund adjustment of 12.25 cents per Mcf.

4. Columbia's notice set out a transportation take-or-pay refund adjustment of 4.36 cents per Mcf.

5. Columbia's notice set out its approved actual cost adjustment ("ACA") of (63.30) cents per Mcf.

6. Columbia's notice set out a balancing adjustment ("BA") of 2.97 cents per Mcf.

7. Columbia's notice contained no current refund adjustment. The total refund adjustment of 8.54 cents per Mcf reflects previous quarter refund adjustments.

8. Columbia's notice set out a Special Agency Service refund adjustment of .05 cent per Mcf.

9. These adjustments produce a gas cost recovery rate ("GCR") of \$3.2454, 16.80 cents per Mcf more than the prior rate.

10. The revised rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied on and after June 1, 1996.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after June 1, 1996.

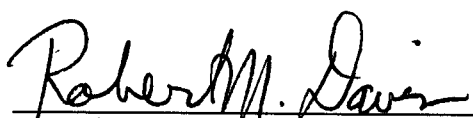
2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 31st day of May, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-179-F DATED MAY 31, 1996.

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

| | Base Rate <u>Charge</u> | Gas Cost <u>Demand</u> | Adjustment <u>Commodity</u> | Total Billing <u>Rate</u> |
|--------------------------------------|----------------------------|---------------------------|--------------------------------|---------------------------------|
| <u>SCHEDULE GSR</u> | | | | |
| First 1 Mcf or less per mo. | \$ 8.10 | \$ 1.6024 | \$ 1.6430 | \$11.3454 |
| Over 1 Mcf per mo. | 2.0899 | 1.6024 | 1.6430 | 5.3353 |
| <u>RATE SCHEDULE GSO</u> | | | | |
| Commercial or Industrial | | | | |
| First 1 Mcf or less | 22.00 | 1.6024 | 1.6430 | 25.2454 |
| Next 49 Mcf per mo. | 2.0899 | 1.6024 | 1.6430 | 5.3353 |
| Next 350 Mcf per mo. | 2.0248 | 1.6024 | 1.6430 | 5.2702 |
| Next 600 Mcf per mo. | 1.9248 | 1.6024 | 1.6430 | 5.1702 |
| Over 1,000 Mcf per mo. | 1.7508 | 1.6024 | 1.6430 | 4.9962 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge times Daily | | | | |
| Firm Vol. (Mcf) in Cust. | | | | |
| Serv. Agrmt. | | 10.9311 | | 10.9311 |
| <u>Delivery Rate Per Mcf</u> | | | | |
| First 400 Mcf per mo. | 2.0248 | (.0436) | | 1.9812 |
| Next 600 Mcf per mo. | 1.9248 | (.0436) | | 1.8812 |
| Over 1,000 Mcf per mo. | 1.7508 | (.0436) | | 1.7072 |
| Former IN8 Rate per Mcf | 1.0124 | | | 1.0124 |
| Banking & Balancing Service | | 0.0313 | | 0.0313 |

| | <u>Base Rate Charge</u> | <u>Gas Cost Demand</u> | <u>Adjustment Commodity</u> | <u>Total Billing Rate</u> |
|---|-----------------------------|----------------------------|---------------------------------|-----------------------------------|
| <u>RATE SCHEDULE IS</u> | | | | |
| <u>Customer Charge per mo.</u> | \$135.79 | | | \$135.79 |
| First 30,000 Mcf | 0.6288 | | \$1.6430* | 2.2718 |
| Over 30,000 Mcf | 0.3341 | | 1.6430* | 1.9771 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agree. | | 10.9311 | | 10.9311 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| First 30,000 Mcf | 0.6288 | (.0436) | | 0.5852 |
| Over 30,000 Mcf | 0.3341 | (.0436) | | 0.2905 |
| Banking & Balancing Service | | 0.0313 | | 0.0313 |
| <u>RATE SCHEDULE IUS</u> | | | | |
| For all Volumes Delivered Each Month | .2912 | 1.6024 | 1.6430 | 3.5366 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate Per Mcf | .2912 | 1.6024 | | 1.8936 |
| Banking & Balancing Service | | 0.0313 | | 0.0313 |
| <u>Mainline Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate Per Mcf | 0.1000 | | | 0.1000 |
| Banking & Balancing Service | | 0.0313 | | 0.0313 |
| <u>RATE SCHEDULE IN6 - INDUSTRIAL AND COMMERCIAL</u> | | | | |
| Commodity Charge | 1.7363 | 1.6024 | 1.6430 | 4.9817 |
| <u>RATE SCHEDULE IN7 - SMALL COMMERCIAL</u> | | | | |
| Commodity Charge | .5924 | 1.6024 | 1.6430 | 3.8378 |

*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 14 and 15 of this tariff.